RESEARCH UPDATE

HELIOSTAR METALS LTD. (TSXV: HSTR)

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Market Statistics in USD	
Price	$ 1.48
52 week Range	$0.80 - $2.51
Daily Vol (3-mo. average)	615,673
Market Cap (M)	$ 414.1
Enterprise Value (M)	$ 375.0
Shares Outstanding: (M)	279.1
Float (M)	231.1

Financial Summary in USD	
Pro Forma Cash (M)	$ 52.4
Cash/Share	$ 0.19
Debt (M)	$ -
Equity (M)	$ 97.4
Equity/Share	$ 0.35

COMPANY DESCRIPTION

Heliostar Metals Ltd. is a Canadian-domiciled gold company listed on the TSX Venture Exchange (TSXV: HSTR) and OTCQX (HSTXF). The Company transformed from an exploration-stage entity into a multi-asset gold producer through its November 2024 acquisition of Argonaut Gold's Mexican portfolio, which brought the producing La Colorada and San Agustin mines and the development-stage Cerro del Gallo and San Antonio projects into its portfolio. Heliostar's platform also includes Ana Paula, its flagship high-grade development asset, and Goldstrike, a 100%-owned U.S. development project in Utah with open-pit, heap-leach gold potential. Today, Heliostar controls a 100%-owned portfolio across Mexico and the U.S., anchored by two producing mines, a deeper development pipeline, and a stated goal of scaling toward mid-tier producer status by the end of the decade.

Company Updates

Flagship Project: Heliostar continued advancing Ana Paula as the primary development asset and clearest step-change opportunity in the portfolio. The November 2025 PEA outlined a nine-year underground mine producing 101.1 koz of gold per year after ramp-up, with cash costs of $923/oz and AISC of $1,011/oz. At $2,400/oz gold, the study generated an after-tax NPV5 of $426.0M and a 28% IRR. The 2025-26 drill program continues to support resource conversion and expansion, with post-quarter results including 69.15m at 10.09 g/t gold and 43.8m at 13.9 g/t near planned underground infrastructure. Management remains focused on advancing Ana Paula toward a 1H27 Feasibility Study and targeted 2028 production, making continued drilling, project financing work, and study progress the key near-term milestones.

Producing Assets: La Colorada and San Agustin remain the operating base supporting Heliostar's broader growth plan. In 1Q26, the Company produced 11,743 oz of gold at consolidated AISC of $1,996/oz, generating $54.4M of revenue, $30.9M of mine operating earnings, and $14.1M of net income. At La Colorada, stockpile mining is complete and the focus shifts to Veta Madre pre-stripping in 3Q26, targeting access to 43,000 oz of in-situ reserves in 1H27. Creston adds a larger follow-on opportunity, with a 312k oz reserve and stripping planned to begin in 2027 ahead of potential 2028 production. At San Agustin, production restarted in late January and reached steady-state run-rate in March, with Corner reserve mining expected to continue through 2026 and into 2027.

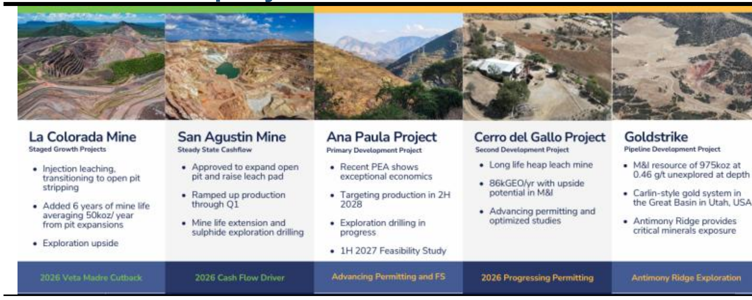
Exploration Portfolio: Beyond Ana Paula, Heliostar continues to build a deeper 100%-owned development pipeline. Cerro del Gallo remains the second core development project, with the December 2025 PFS outlining a 15-year mine life, 85.7 koz GEOs of annual production, AISC of $1,390/GEO, and an after-tax NPV5 of $424M with a 33.1% IRR at $2,400/oz gold. Goldstrike was added following the April 2026 closing and May 2026 technical report filing, bringing a past-producing Utah oxide gold project with 975k indicated oz and 90k inferred oz. Management is evaluating sequencing, resource expansion, processing/infrastructure work, and the potential critical minerals value stream at Antimony Ridge.

Outlook: The Company ended 1Q26 with $38.7M of cash which we calculate at a pro forma value of $52.4M after accounting for timing constraints of accounts receivable. HSTR maintained 2026 guidance of 50,000-55,000 oz of gold production at cash costs of $1,850-$1,950/oz and AISC of $2,025-$2,125/oz. The key investor read-through is that 2026 is shifting from acquired-asset integration toward a more defined production growth bridge, with near-term focus on San Agustin consistency, Veta Madre sequencing, Ana Paula Feasibility Study progress, and Goldstrike's role in the longer-term portfolio.

Valuation: When valuing HSTR we apply a EV/NAV range of 0.4x to 0.6x with a midpoint of 0.5x which results in a valuation of $3.23 to $4.71 with a mid-point of $3.97. When using an EV/Reserves valuation method we apply a multiple range of 50.0x to 100.0x with a midpoint of 75.0x which results in a valuation of $2.60 to $4.93 with a mid-point of $3.76. Our DCF model returns a valuation range of $3.69 to $4.22 with a mid-point of $3.93.

Business Overview

Exhibit 1: Company Overview



Source: Company Reports

Heliostar Metals Ltd. is a Canadian-domiciled gold company listed on the TSX Venture Exchange (TSXV: HSTR) and OTCQX (HSTXF). The Company transformed from an exploration-stage entity into a multi-asset gold producer through its November 2024 acquisition of Argonaut Gold's Mexican portfolio, which brought the producing La Colorada and San Agustin mines and the development-stage Cerro del Gallo and San Antonio projects into its portfolio. Heliostar's platform also includes Ana Paula, its flagship high-grade development asset, and Goldstrike, a 100%-owned U.S. development project in Utah with open-pit, heap-leach gold potential. Today, Heliostar controls a 100%-owned portfolio across Mexico and the U.S., anchored by two producing mines, a deeper development pipeline, and a stated goal of scaling toward mid-tier producer status by the end of the decade, while prioritizing per-share growth and disciplined capital allocation.

Heliostar is now in its first full year of commercial production, positioning itself as a rare junior-to-producer transition story in the gold sector. Production is supported by La Colorada and San Agustin, with San Agustin now ramped into full operation and serving as a larger contributor to company-wide cash flow. Heliostar's growth will be driven by the staged development of Ana Paula, Cerro del Gallo, San Antonio, and Goldstrike, with development and exploration requirements funded from operating cash flow. This integrated model of cashflow-funded development and disciplined growth is designed to reduce reliance on dilutive equity raises while accelerating the Company's path to mid-tier scale.

Projects Overview

Exhibit 2: La Colorada Overview

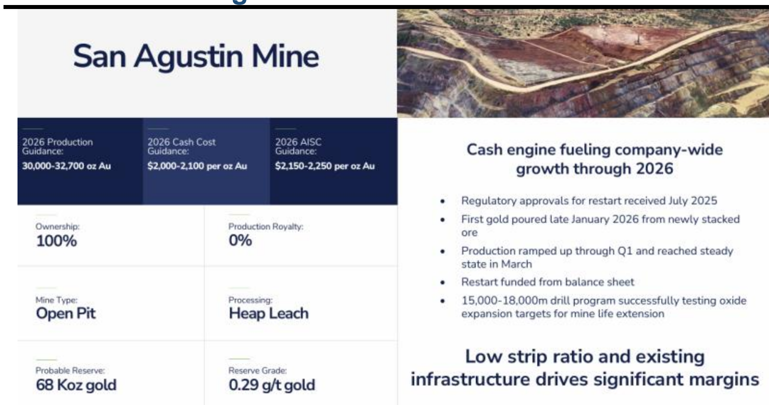
Source: Company Reports

La Colorada (Sonora):

La Colorada is a 100%-owned open-pit heap leach mine located in the prolific Sonora gold belt of northern Mexico, an established mining jurisdiction with year-round road access, grid power, and nearby labor pools. The asset hosts 376 thousand ounces of reserves grading 0.68 g/t and has been a core focus since its restart in January 2025. Following completion of Junkyard and other surface stockpile mining in 1Q26, near-term production is now supported by injection leaching while the Company advances the next phase of open-pit production at Veta Madre and Creston. The site includes existing crushing, leaching, and ADR plant infrastructure, minimizing capital requirements for expansion. Drilling has returned strong intercepts demonstrating higher-grade zones than currently modeled. Upcoming work will focus on resource conversion drilling, cutback design for the main pits, and testing underground potential beneath the Creston Pit as well as exploration across the broader, undrilled land package. Management views La Colorada as a low-capex cornerstone asset that can generate stable cashflow to support its own growth as well as generate cash for Ana Paula's build.

San Agustin (Durango):

Exhibit 3: San Agustin Overview



Source: Company Reports

San Agustin is a 100%-owned open-pit heap leach operation located in Durango State, Mexico, with established mine infrastructure, haul roads, and processing facilities inherited from Argonaut Gold. The mine has transitioned beyond residual-leach-only production, with mining, crushing, conveying, and stacking from the Corner Area recommenced in December 2025, first gold poured from newly stacked material in January 2026, and steady-state operating run rate achieved in 1Q26. The Corner Area study outlined a 68 thousand ounce reserve base and a 1.2-year mine life, with recoverable reserves estimated at approximately 44 thousand ounces of gold. At a gold price of US$3,000/oz, the plan implies attractive after-tax economics, including US$35 million NPV5%, 548% IRR, and approximately US$40 million of near-term cash flow on modest initial capital. San Agustin is positioned as a near-term cash-flow driver to help fund Heliostar's broader development pipeline, including Ana Paula.

Beyond the Corner Area, San Agustin hosts several oxide exploration targets with potential to significantly extend mine life. Heliostar completed 75 holes and 7,230m across eight near-mine target areas in 1Q26, with results demonstrating potential for production growth and mine-life extension. Encouraging step-out results at the Corner Expansion Zone supported the decision to expand the 2026 resource and reserve drill program from 10,000–15,000m to 15,000–18,000m, with the primary objective of defining additional oxide resources around the existing pit. Additional sulfide targets include deep porphyry-style mineralization identified by prior drilling that could provide an additional phase for extending the life of the asset. The mine is strategically important as a near-term cash generator that can rapidly scale production with minimal capital.

Ana Paula (Guerrero):

Ana Paula is Heliostar's 100%-owned flagship development project, located in Guerrero's highly prospective Guerrero Gold Belt, with road access, grid power, and water infrastructure in place roughly 180 kilometers from Mexico's Pacific coast. The deposit hosts approximately 1.2 million ounces grading 5.4 g/t gold within the High-Grade Panel of a polymictic breccia body characterized by wide, continuous zones of high-grade mineralization. A recently announced PEA outlines a 1,800 tpd underground operation producing ~875,000 recovered ounces over a nine-year mine life, averaging roughly 101 thousand ounces per year at life-of-mine AISC of about US$1,000/oz and demonstrating robust project economics with strong leverage to higher gold prices. Current drilling and technical work are focused on resource conversion, expansion drilling, permitting, and feasibility work, with Heliostar targeting a 1H27 feasibility study, a potential construction decision in mid-2027, and initial Ana Paula production in 2H28. As of April 23, 2026, Heliostar had completed 88 holes and 31,184m as part of its ongoing 2025–26 Ana Paula drill program, with drilling focused on defining additional mineralization near planned underground mine infrastructure and testing down-plunge extensions in the Expansion Zone. The project remains the key growth engine in the Company's transition toward mid-tier producer status and is expected to materially lower corporate AISC once in production.

Cerro del Gallo (Guanajuato):

Cerro del Gallo is Heliostar's 100%-owned, long-life gold-silver-copper development project located in the historic Guanajuato mining district of central Mexico. A recently completed 2025 Prefeasibility Study (PFS) outlines an open-pit heap-leach operation, supported by 2.27 million GEOs of Probable Reserves and a 15.3-

year mine life producing 1.31 million GEOs, or ~86 koz GEOs per year. The project is expected to operate at an AISC of ~$1,390/GEO and cash costs of ~US$1,252/GEO, benefiting from a very low strip ratio, shallow oxide-dominant mineralization, grid power, and by-product copper and silver credits.

At a US$2,300/oz gold price, the PFS delivers a post-tax NPV5% of US$424.0 million, a 33.0% IRR, and a 2.3-year payback on US$195.3 million of initial capital, highlighting Cerro del Gallo's strong margins and capital efficiency. With a Measured & Indicated resource base of ~4.9 million GEOs supporting meaningful reserve growth and expansion potential, Cerro del Gallo is positioned to become Heliostar's second cornerstone production hub after Ana Paula, providing the scale needed to support the Company's long-term goal of becoming a 300,000+ GEO per year mid-tier gold producer.

San Antonio (Baja California Sur):

San Antonio is a 100%-owned gold project located in Baja California Sur, Mexico. The project hosts 1.9 million ounces of gold and returned a January 2025 PEA showing a US$715 million NPV5% and 59% IRR at US$2,600/oz gold, based on a conceptual 70–80 thousand ounce per year open-pit heap leach operation. The project benefits from paved road access and nearby port infrastructure but requires state-level environmental permits, which have historically been challenging in Baja. Heliostar is undertaking a strategic review to optimize its development approach, sequencing the project after Ana Paula. San Antonio offers significant production scale and strong project economics, and its eventual permitting would provide Heliostar with a second long-life cornerstone asset.

Unga (Alaska):

Unga is an early-stage gold-silver project located on Unga and Popof Islands off the coast of Alaska, covering approximately 250 square kilometers. The project contains multiple high-grade epithermal gold-silver targets, including the Shumagin deposit and Apollo-Sitka prospect, and hosts inferred resources of approximately 384 thousand gold ounces grading 13.8 g/t. While Unga remains non-core relative to Heliostar's Mexican production and development assets, recent work has refreshed the project's longer-term optionality. Heliostar completed an 892 line-kilometer helicopter-borne geophysical survey in July 2025 and commenced a 1,500m core drilling program in September 2025 targeting geological and geophysical targets at the Centennial prospect on Popof Island. The asset remains a potential future monetization, joint-venture, or exploration-upside candidate.

Goldstrike (Utah):

Exhibit 4: Goldstrike Overview

Source: Company Reports

Goldstrike is a 100%-owned U.S. development project in Washington County, Utah, acquired by Heliostar from Liberty Gold on April 27, 2026. The project is a past-producing, Carlin-style oxide gold system located in the Great Basin, roughly 50 kilometers northwest of St. George, and adds a second U.S. asset to Heliostar's portfolio. The updated Goldstrike resource includes 975 thousand indicated gold ounces grading 0.46 g/t and 90 thousand inferred gold ounces grading 0.31 g/t, with the deposit remaining shallowly drilled and open for resource expansion. Management is evaluating Goldstrike's sequencing within the broader development pipeline, along with processing and infrastructure plans, resource growth opportunities, and potential separation of the project's gold and critical minerals value streams. Antimony Ridge adds a strategic metals component to the asset, with surface sampling highlighting high-grade antimony mineralization and providing additional longer-term optionality beyond the core oxide gold development case.

Growth Drivers

Production and Cost Trajectory

Heliostar plans to scale production from approximately 33 thousand ounces in 2025 to 150 thousand ounces per year starting in 2028 and 300–500 thousand ounces by 2030. Certain growth items, including San Agustin additions and Veta Madre Plus, remain potential scenarios that require further technical work, permitting, funding, and investment decisions.

Exhibit 5: Recent Results

Source: Company Reports

Near-term growth is anchored by La Colorada and San Agustin, which are now providing the operating cash flow base to fund exploration and development across the portfolio. Ana Paula remains the primary step-change asset, with targeted initial production in 2H28 and a planned ramp toward more than 100 thousand ounces per year, while Cerro del Gallo represents the next major development stage after Ana Paula and is expected to help move Heliostar toward its longer-term mid-tier production target. Goldstrike adds incremental U.S. development optionality but should be framed as pipeline value rather than near-term production in the current growth bridge.

Leadership and Execution Capability:

A key enabler of this ambitious growth plan is Heliostar's leadership team, which combines mine-building depth with capital markets expertise. CEO Charles Funk (ex-Newcrest, Vizsla) is a seasoned exploration geologist with a track record of project discovery and value creation, while COO Gregg Bush (ex-Capstone, Equinox, Placer Dome) has decades of experience constructing and operating large-scale mines across the Americas. CFO Vitalina Lyssoun (ex-Gatos Silver, Endeavour Mining, BDO) provides deep public company finance expertise, and VP Projects Sam Anderson (ex-Newmont) is leading the execution of multiple studies across the company's portfolio. VP Investor Relations and Development Stephen Soock joined from Stifel, bringing institutional relationships and growth company strategy experience, while Corporate Secretary Connie Lillico previously held the same role at First Majestic. Institutional ownership is high, led by Eric Sprott, Franklin Templeton, and Europac, with strong capital markets support. This depth of experience and alignment positions Heliostar to deliver its project pipeline on time and on budget—a critical differentiator among emerging producers.

Exhibit 6: Company Milestones

Source: Company Reports

Strategic Re-rating Potential:

Management believes surpassing the 150 thousand ounce threshold will trigger a market re-rating toward established mid-tier gold producer peers, many of which trade at materially higher EV/oz and EV/EBITDA multiples. By combining near-term cash generation with high-grade growth from Ana Paula and scale leverage from Cerro del Gallo, Heliostar is positioned to compress costs, expand margins, and build a multi-asset platform capable of sustaining production for decades. The Company's integrated model of cashflow-funded development and disciplined capital allocation is designed to reduce reliance on dilutive equity raises, supporting per-share value growth as ounces and free cash flow compound.

Market Overview

Exhibit 7: Gold Price Growth

Source: S&P Capital IQ

Heliostar's growth strategy is unfolding against a constructive gold market backdrop. Gold prices have remained resilient, climbing above US$5,400/oz in 2026, supported by persistent global inflation, elevated geopolitical risk, and strong central bank demand. Supply growth has stagnated as permitting timelines lengthen and major producers exhaust reserve bases, while investment demand has shifted toward developers capable of delivering new ounces into a tightening supply environment. Mexico, where Heliostar primarily operates, remains a premier gold jurisdiction with established infrastructure, skilled labor, and familiarity for North American capital markets. The combination of a supportive macro environment and the scarcity of near-term mid-tier growth stories creates an attractive window for Heliostar's transition from junior producer to multi-asset mid-tier operator. With consensus forecasts from institutions projecting strength in gold prices, Heliostar offers significant torque to further price appreciation.

In addition to the global macro tailwinds, Mexico is one of the world's leading gold producers and remains a highly attractive jurisdiction for mine development and investment. The country consistently ranks within the top 10 global gold-producing nations, with annual production of ~120–130 tonnes (3.8–4.2 Moz) and a deeply entrenched mining culture that directly contributes roughly 2.5% of national GDP. Mexico benefits from robust existing infrastructure—including roads, rail, ports, and a reliable power grid—as well as an experienced, lower-cost labor force and proximity to North American capital markets, which facilitates financing and offtake agreements.

Exhibit 8: Production Potential

Source: Company Reports

The country's mining industry has a long history of stable operating conditions supported by federal-level permitting frameworks, mature service providers, and well-established legal and property rights. While there has been increased regulatory scrutiny on new projects in recent years, especially regarding environmental approvals at the state level, Mexico continues to attract substantial foreign direct investment and has remained the largest recipient of mining exploration capital in Latin America. The Guerrero Gold Belt, where Ana Paula is located, has produced over 20 Moz of gold from major mines such as Equinox Gold's Los Filos and Torex Gold's Morelos , while states like Sonora, Durango, and Guanajuato—home to La Colorada, San Agustin, and Cerro del Gallo—are among the top five mining jurisdictions in the country and offer well-developed supply chains and logistics networks.

This strong infrastructure base, supportive mining culture, and deep capital markets familiarity make Mexico a uniquely advantageous setting for Heliostar's multi-asset platform. As the Company transitions from junior producer to mid-tier operator, its focus on Mexico positions it to leverage these advantages while benefiting from the sector's scarcity of meaningful new gold projects.

Risks

As with any near-term producer, there are inherent risks associated with the Company's operations, financial condition, and the broader economic, commodity, and regulatory environments in which it operates. While Heliostar offers unparalleled leverage to gold and copper prices, several risks could impact the timing, economics, and ultimate value realization of its portfolio. Investors should carefully consider the following risk factors:

- **Commodity Price Volatility:** The Company's valuation and project economics are highly sensitive to gold prices. Although current fundamentals are supportive, a material decline in prices could reduce project returns. For example, economic analysis base cases were modeled at gold prices significantly lower than current spot; sustained weakness below these levels would erode the robust economics outlined.

- **Development and Financing Risk:** Heliostar's flagship Ana Paula project is expected to require approximately US$300 million in development capital, which will likely be funded through a combination of internal financing, project debt, equity, and potential strategic partnerships. While the Company has demonstrated strong access to capital markets there remains risk of shareholder dilution if equity is required at lower market valuations or if debt terms are less favorable than anticipated. Successful execution of the staged cashflow build from La Colorada and San Agustin will be critical to minimizing this dilution risk.

- **Permitting and Regulatory Risk:** Permitting remains a key gating factor for Heliostar's medium-term growth. While Ana Paula is fully permitted for open-pit operations, the Company intends to pursue an underground permit amendment in 2026 to unlock the high-grade underground mine plan, which may introduce new review timelines and conditions. San Antonio, despite robust economics, requires state-level environmental approvals in Baja California Sur—a jurisdiction historically viewed as challenging for new mine permitting. Cerro del Gallo also requires federal environmental clearance before construction can commence. Any delays or denials could push out project timelines and capital deployment, affecting the consolidated production ramp.

- **Exploration Risk:** Several of the Company's projects are still in early exploration stages. While initial drilling has demonstrated potential, there is no certainty that these projects will evolve into economic deposits. Exploration success rates in the industry are low, and failure to convert early-stage discoveries into defined resources could diminish growth optionality.

VALUATION

To help frame our valuation, we use a comp analysis of Heliostar assets as compared to peers as well as a discounted cash flow model.

Our DCF analysis relies on a range of discount rates between 12.25% and 12.75% with a midpoint of 12.50%. This arrives at a valuation range of $3.69 to $4.22 with a mid-point of $3.93.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 0%	1%	2%	3%	4%
12.00%	$3.83	$3.97	$4.14	$4.35	$4.60
12.25%	$3.74	$3.88	$4.03	$4.22	$4.46
12.50%	$3.66	$3.78	$3.93	$4.11	$4.33
12.75%	$3.58	$3.69	$3.83	$4.00	$4.20
13.00%	$3.50	$3.61	$3.74	$3.89	$4.08

Comparative Analysis

Comparative Analysis

(all figures in $USD M, except per share information)

Name	Ticker	Price (1)	S/O	Mrkt Cap	EV	NAV (2)	Reserves (koz) (2)	EV/NAV	EV/Reserves
Integra Resources Corp.	ITR	$ 2.42	202.3	$ 488.9	$ 416.7	$ 751.0	$ 8.0	0.55x	51.9x
K92 Mining Inc.	KNT	$ 17.64	245.1	$ 4,323.2	$ 4,083.0	$ 680.5	$ 11.1	6.00x	368.4x
Lode Gold Resources Inc.	LOD	$ 0.22	62.0	$ 13.5	$ 18.3	$ 217.1	$ 1.7	0.08x	11.0x
McEwen Inc.	MUX	$ 21.14	59.7	$ 1,262.9	$ 1,320.9	$ 1,355.3	$ 1.0	0.97x	1305.9x
Osisko Development Corp.	ODV	$ 2.69	304.7	$ 820.4	$ 503.2	$ 826.0	$ 7.0	0.61x	72.2x
Orvana Minerals Corp.	ORV	$ 1.48	139.9	$ 202.7	$ 249.5	$ 74.1	$ 3.2	3.37x	77.9x
Patagonia Gold Corp.	PGDC	$ 0.53	468.4	$ 247.5	$ 306.7	$ 57.2	$ 2.0	5.37x	152.9x
Scorpio Gold Corporation	TSXV: SGN	$ 0.24	302.6	$ 73.4	$ 65.6	$ 85.8	$ 1.2	0.76x	53.9x
Velocity Minerals Ltd.	VLC	$ 0.16	204.5	$ 31.8	$ 33.1	$ 30.1	$ 0.4	1.10x	83.2x
							Average	**2.1x**	**241.9x**
							Median	**1.0x**	**77.9x**
Heliostar Metals Ltd.	**HSTR**	**$ 1.48**	**279.1**	**$ 414.1**	**$ 375.0**	**$ 1,499.0**	**9.4**	**0.25x**	**39.7x**

(1) Previous day's closing price
(2) Estimates are from Capital IQ
All Values in USD at an exchange rate of $1.38 CAD/USD
Source: Company reports, CapitalIQ, Stonegate Capital Partners

Current Comps are trading at an EV/NAV of 1.0x at the median, compared to 0.3x for HSTR. The Company is also trading at an EV/Reserves of 39.7x, compared to comps of 77.9x at the median. Given the macro tailwinds, current and forecasted production capacity, expansion through the Goldstrike acquisition, and potential for further resource growth we believe this discount to comps is too steep.

When valuing HSTR we apply a EV/NAV range of 0.4x to 0.6x with a midpoint of 0.5x which results in a valuation of $3.23 to $4.71 with a mid-point of $3.97. When using an EV/Reserves valuation method we apply a multiple range of 50.0x to 100.0x with a midpoint of 75.0x which results in a valuation of $2.60 to $4.93 with a mid-point of $3.76. We believe that as production capacity continues to come online and as the Company continues to expand its resource reserves further re-rates will be in order.

EV/NAV	0.40x	0.50x	0.60x
NAV	1,499.0	1,499.0	1,499.0
TEV	599.6	749.5	899.4
Cash (USD $M)	52.4	52.4	52.4
Debt (USD $M)	-	-	-
Mrkt Cap	652.0	801.9	951.8
S/O	279.1	279.1	279.1
Price ($USD)	$ 2.34	$ 2.87	$ 3.41
CAD/USD Rate	$ 1.38	$ 1.38	$ 1.38
Price ($CAD)	**$ 3.23**	**$ 3.97**	**$ 4.71**

EV/Reserves	50.00x	75.00x	100.00x
Reserves	9.4	9.4	9.4
TEV	472.1	708.1	944.1
Cash (USD $M)	52.4	52.4	52.4
Debt (USD $M)	-	-	-
Mrkt Cap	524.4	760.5	996.5
S/O	279.1	279.1	279.1
Price ($USD)	$ 1.88	$ 2.72	$ 3.57
CAD/USD Rate	$ 1.38	$ 1.38	$ 1.38
Price ($CAD)	**$ 2.60**	**$ 3.76**	**$ 4.93**

DISCOUNTED CASH FLOW

Heliostar Metals Ltd.
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	13.7	114.6	239.4	285.7	328.6	377.9	425.1	478.3	530.9	584.0	642.4	674.5	694.7	
Operating Income	(7.6)	20.4	108.2	132.9	139.7	151.2	159.4	167.4	172.5	175.2	192.7	202.3	208.4	
Less: Taxes (benefit)	0.5	11.5	34.7	39.4	41.9	45.3	47.8	50.2	51.8	52.6	57.8	60.7	62.5	
NOPAT	(8.1)	9.0	73.5	93.5	97.8	105.8	111.6	117.2	120.8	122.6	134.9	141.6	145.9	
Plus: Depreciation & Amortization	2.3	6.2	7.2	8.6	8.2	7.6	8.5	9.6	10.6	11.7	12.8	13.5	13.9	
Plus: Changes in WC	(33.6)	(12.8)	(12.0)	(8.6)	(3.3)	(1.9)	(2.1)	-	0.3	2.9	3.2	3.4	3.5	
Less: Sustaining Capex	(0.5)	(13.5)	(12.0)	(14.3)	(11.6)	(11.3)	(10.6)	(12.0)	(8.0)	(8.8)	(9.6)	(6.7)	(6.9)	
Free Cash Flow	(39.9)	(11.2)	56.8	79.3	91.1	100.1	107.3	114.8	123.7	128.5	141.3	151.8	156.3	1,518.5
Discount period - months			9	21	33	45	57	69	81	93	105	117	129	
Discount period - years			0.8	1.8	2.8	3.8	4.8	5.8	6.8	7.8	8.8	9.8	10.8	
Discount factor			0.92	0.81	0.72	0.64	0.57	0.51	0.45	0.40	0.36	0.32	0.28	
PV of FCF			52.0	64.5	65.9	64.4	61.3	58.3	55.9	51.6	50.4	48.1	44.1	428.1
Growth rate assumptions:														
Revenue		738.7%	108.9%	19.4%	15.0%	15.0%	12.5%	12.5%	11.0%	10.0%	10.0%	5.0%	3.0%	
Operating Income		-369.7%	429.3%	22.9%	5.0%	8.2%	5.5%	5.0%	3.1%	1.5%	10.0%	5.0%	3.0%	
EBITDA		-603.2%	333.8%	22.7%	4.5%	7.3%	5.8%	5.4%	3.5%	2.0%	10.0%	5.0%	3.0%	
Free Cash Flow		-71.8%	-605.5%	39.6%	15.0%	9.9%	7.2%	6.9%	7.8%	3.9%	10.0%	7.4%	3.0%	
Margin assumptions:														
Operating Income	-55.5%	17.8%	45.2%	46.5%	42.5%	40.0%	37.5%	35.0%	32.5%	30.0%	30.0%	30.0%	30.0%	
D&A as a % of sales	16.8%	5.4%	3.0%	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
EBITDA	-38.7%	23.2%	48.2%	49.5%	45.0%	42.0%	39.5%	37.0%	34.5%	32.0%	32.0%	32.0%	32.0%	
Taxes	-6.3%	56.1%	32.0%	29.6%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Changes in WC	-245.8%	-11.2%	-5.0%	-3.0%	-1.0%	-0.5%	-0.5%	0.0%	0.1%	0.5%	0.5%	0.5%	0.5%	
Capex as a % of sales	-4.0%	-11.8%	-5.0%	-5.0%	-3.5%	-3.0%	-2.5%	-2.5%	-1.5%	-1.5%	-1.5%	-1.0%	-1.0%	

Valuation:

Shares outstanding	279.1
PV of FCF	616.5
PV of Terminal Value	428.1
Enterprise Value	1,044.5
less: Net Debt	(52.4)
Estimated Total Value:	1,096.9
Est Equity Value/share:	**$3.93**
Price	$1.48

Sensitivity Analysis:

	Terminal Growth Rates				
Discount rate	0%	1%	2%	3%	4%
12.00%	$3.83	$3.97	$4.14	$4.35	$4.60
12.25%	$3.74	$3.88	$4.03	$4.22	$4.46
12.50%	$3.66	$3.78	$3.93	$4.11	$4.33
12.75%	$3.58	$3.69	$3.83	$4.00	$4.20
13.00%	$3.50	$3.61	$3.74	$3.89	$4.08

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Heliostar Metals Ltd.
Consolidated Balance Sheets ($M at historical exchange rates per CapIQ)
Fiscal Year End: December

ASSETS	FY 2019	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26
Cash & cash equivalent	0.2	2.8	2.1	0.6	3.0	0.3	0.7	2.7	2.7	0.6	2.4	0.7	5.4	5.4	27.2	29.7	34.6	40.6	40.6	38.7
Short-term investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-
Marketable securities	1.2	2.1	0.1	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts receivable	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.1	0.1	0.1	9.3	9.3	5.6	11.5	11.8	12.9	12.9	28.4
Prepaid amounts and advances	0.1	0.6	0.4	0.4	1.7	1.5	1.2	0.9	0.9	0.1	0.1	0.2	17.1	17.1	2.0	2.5	3.2	4.1	4.1	8.2
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	22.5	22.5	25.5	25.8	28.3	28.4	28.4	34.8
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-	1.3	1.3	1.0	0.5	0.1	0.1	0.1	1.7
Total Current Assets	**1.5**	**5.6**	**2.7**	**1.1**	**4.8**	**2.0**	**2.0**	**3.7**	**3.7**	**0.8**	**2.6**	**1.0**	**55.7**	**55.7**	**61.3**	**70.0**	**77.9**	**86.2**	**86.2**	**111.9**
Investment in NV Gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclamation bond	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exploration and evaluation assets	3.2	5.8	7.3	7.6	18.8	19.0	18.1	19.6	19.6	19.2	19.0	19.4	23.3	23.3	19.7	19.9	19.9	21.3	21.3	26.3
Intangle assets	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8	0.2	0.4	3.8	3.8	2.7
Plant and equipment	0.0	0.0	0.1	0.1	1.0	1.0	0.9	1.1	1.1	0.9	0.9	0.9	18.1	18.1	16.7	15.8	14.9	14.7	14.7	14.0
Mineral properties	-	-	-	-	-	-	-	-	-	-	-	-	24.4	24.4	4.4	4.4	5.8	9.2	9.2	8.2
Long-term prepaid amounts	-	-	-	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.2	12.7	11.0	10.3	10.3	2.3
Total Assets	**4.8**	**11.4**	**10.1**	**8.8**	**24.6**	**22.1**	**21.0**	**24.4**	**24.4**	**20.9**	**22.5**	**21.2**	**121.5**	**121.5**	**117.2**	**122.9**	**129.9**	**145.4**	**145.4**	**165.4**
LIABILITIES AND SHAREHOLDERS' EQUITY																				
Accounts payable and accrued liabilities	0.1	1.3	0.2	0.7	0.8	0.9	0.3	1.1	1.1	1.5	1.8	1.8	10.6	10.6	14.6	11.8	14.6	18.8	18.8	23.5
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.6	2.6	13.3	11.3	11.3	9.8
Loan payable	-	-	-	-	-	-	-	-	-	-	-	1.7	3.0	3.0	-	-	-	-	-	-
Current portion of lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.4	0.4	0.1	0.1	0.0
Current portion of reclamation and closure cost provisions	-	-	-	-	-	-	-	-	-	-	-	-	5.7	5.7	3.4	3.4	2.8	7.1	7.1	8.6
Due to related parties	0.1	0.0	-	0.0	0.1	0.1	-	-	-	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	-	-	-
Consideration payable	-	-	-	-	-	-	-	-	-	1.8	1.9	1.9	-	-	-	-	-	-	-	-
Total Current Liabilities	**0.2**	**1.4**	**0.2**	**0.7**	**0.9**	**1.0**	**0.3**	**1.1**	**1.1**	**3.3**	**3.7**	**5.4**	**19.5**	**19.5**	**19.9**	**18.3**	**31.2**	**37.2**	**37.2**	**41.9**
Long-term liabilities	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.5	0.3	0.2	0.6	0.6	0.5
Employee termination benefits	-	-	-	-	-	-	-	-	-	-	-	-	2.2	2.2	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0	-	-	-	-	-
Tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.0	8.8	-	-	-	-
Reclamation of closure cost provisions	-	-	-	-	0.1	0.1	0.3	0.3	0.3	0.4	0.4	0.4	20.5	20.5	23.6	26.2	26.7	26.2	26.2	24.6
Deferred income tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.7	2.3	3.2	0.0	0.0	0.0
Consideration payable	-	-	-	-	1.7	1.7	1.7	1.8	1.8	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0.9	0.9	1.1	1.2	1.0	1.0	1.0	1.0
Total Liabilities	**0.2**	**1.4**	**0.2**	**0.7**	**2.9**	**3.0**	**2.4**	**3.3**	**3.3**	**3.8**	**4.2**	**5.9**	**43.2**	**43.2**	**55.7**	**57.0**	**62.4**	**65.0**	**65.0**	**68.1**
Share capital	25.7	34.5	40.4	42.4	56.1	56.8	57.7	66.3	66.3	64.9	67.6	68.4	69.9	69.9	92.8	94.3	94.8	98.4	98.4	101.1
Accumulated other comprehensive gain/loss	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(0.6)	(0.6)	0.0	0.9	0.6	0.7	0.7	0.6
Reserves	3.6	5.7	5.2	5.8	6.7	7.1	7.4	8.5	8.5	8.5	8.7	9.4	9.2	9.2	10.2	10.3	10.4	10.4	10.4	10.5
Deficit	(24.6)	(30.1)	(35.9)	(40.4)	(41.3)	(44.9)	(46.7)	(53.9)	(53.9)	(56.4)	(58.2)	(62.7)	(0.2)	(0.2)	(41.4)	(39.5)	(38.3)	(29.0)	(29.0)	(14.9)
Total Consolidated Equity	**4.6**	**10.0**	**10.0**	**8.0**	**21.7**	**19.1**	**18.6**	**21.1**	**21.1**	**17.1**	**18.3**	**15.3**	**78.4**	**78.4**	**61.5**	**65.9**	**67.5**	**80.4**	**80.4**	**97.4**
Total Liabilities and Shareholders' Equity	**4.8**	**11.4**	**10.1**	**8.8**	**24.6**	**22.1**	**21.0**	**24.4**	**24.4**	**20.9**	**22.5**	**21.2**	**121.5**	**121.5**	**117.2**	**122.9**	**129.9**	**145.4**	**145.4**	**165.4**

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Heliostar Metals Ltd.
Consolidated Statements of Income (in $M at historical exchange rates per CapIQ, except per share amounts)
Fiscal Year End: December

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenue	$ -	$ -	$ -	$ -	$ -	$ 13.7	$ 22.7	$ 27.9	$ 26.8	$ 37.1	$ 114.6	$ 54.4	$ 61.0	$ 61.9	$ 62.6	$ 239.9	$ 65.6	$ 68.7	$ 71.9	$ 80.0	$ 286.2
Total Revenues	**-**	**-**	**-**	**-**	**-**	**13.7**	**22.7**	**27.9**	**26.8**	**37.1**	**114.6**	**54.4**	**61.0**	**61.9**	**62.6**	**239.9**	**65.6**	**68.7**	**71.9**	**80.0**	**286.2**
Operating Expenses:																					
Cost of Sales	-	-	-	-	-	7.0	11.2	13.7	12.5	18.3	55.7	23.5	24.4	24.2	23.9	96.0	27.9	29.1	30.5	30.4	117.9
Gross Profit	**-**	**-**	**-**	**-**	**-**	**6.7**	**11.5**	**14.3**	**14.2**	**18.8**	**58.9**	**30.9**	**36.6**	**37.7**	**38.7**	**143.9**	**37.7**	**39.6**	**41.4**	**49.6**	**168.3**
General and Administrative	0.5	0.9	1.7	1.6	2.6	4.8	4.5	2.8	2.6	3.9	13.8	3.9	3.5	3.5	3.5	14.4	4.2	4.2	4.2	4.2	16.6
Exploration Expenses	0.7	3.2	6.1	2.5	8.0	8.1	2.4	1.9	6.4	4.9	15.6	4.6	4.5	4.3	4.3	17.6	3.9	3.9	3.8	3.8	15.3
Share-based Payments	0.2	1.8	(0.3)	0.5	1.8	1.4	0.4	0.4	0.3	0.3	1.4	0.4	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.2
Mine Holdings Cost	-	-	-	-	-	-	-	1.1	0.3	0.6	2.1	0.6	0.5	0.5	0.5	1.9	0.5	0.5	0.5	0.5	1.8
Reclamation Cost Adjustment	-	-	-	-	-	-	-	-	-	2.8	2.8	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	2.7	2.7	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1.4	5.9	7.5	4.6	12.4	14.3	7.3	6.2	9.7	15.3	38.4	9.5	8.8	8.5	8.5	35.2	8.8	8.8	8.7	8.7	34.9
Operating Income	**(1.4)**	**(5.9)**	**(7.5)**	**(4.6)**	**(12.4)**	**(7.6)**	**4.2**	**8.1**	**4.6**	**3.6**	**20.4**	**21.4**	**27.9**	**29.2**	**30.2**	**108.7**	**28.9**	**30.8**	**32.7**	**40.9**	**133.4**
Net Finance Expense	0.1	0.9	(1.1)	0.1	0.1	(0.7)	(37.5)	(0.4)	(0.4)	(0.4)	(38.6)	(0.4)	(0.4)	(0.4)	(0.4)	(1.6)	(0.4)	(0.4)	(0.4)	(0.4)	(1.6)
Foreign Exchange Gain (Loss)	(0.0)	0.0	(0.2)	(0.1)	(0.0)	(3.6)	3.9	(1.4)	1.3	1.9	5.5	1.3	-	-	-	1.3	-	-	-	-	-
Other gains/loses	-	-	-	(0.1)	(0.1)	(1.4)	1.8	(0.1)	(0.3)	1.5	2.9	0.8	-	-	-	0.8	-	-	-	-	-
Profit Before Taxes	**(1.3)**	**(5.0)**	**(8.8)**	**(4.8)**	**(12.4)**	**49.9**	**(27.6)**	**6.1**	**5.2**	**6.6**	**(9.7)**	**23.1**	**27.5**	**28.8**	**29.8**	**109.2**	**28.5**	**30.4**	**32.3**	**40.5**	**131.8**
Provision for Income Tax	(0.4)	-	-	-	-	(0.5)	(6.0)	(4.2)	(4.0)	2.7	(11.5)	(9.0)	(8.2)	(8.6)	(8.9)	(34.8)	(8.6)	(9.1)	(9.7)	(12.2)	(39.5)
Net Income	**(1.7)**	**(5.0)**	**(8.8)**	**(4.8)**	**(12.4)**	**49.5**	**(33.5)**	**1.9**	**1.3**	**9.3**	**(21.1)**	**14.1**	**19.2**	**20.2**	**20.9**	**74.4**	**20.0**	**21.3**	**22.6**	**28.4**	**92.2**
Basic EPS	**$ (0.01)**	**$ (0.02)**	**$ (0.28)**	**$ (0.10)**	**$ (0.09)**	**$ 0.24**	**$ (0.13)**	**$ 0.01**	**$ 0.00**	**$ 0.04**	**$ (0.10)**	**$ 0.05**	**$ 0.07**	**$ 0.07**	**$ 0.07**	**$ 0.27**	**$ 0.07**	**$ 0.07**	**$ 0.08**	**$ 0.10**	**$ 0.32**
WTD Shares Out - Basic	300.1	251.9	31.9	47.0	135.1	207.6	244.1	285.3	251.0	252.5	207.6	271.5	274.2	277.0	279.7	275.6	282.5	285.4	288.2	291.1	286.8

Source: Company Reports, Stonegate Capital Partners estimates

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